

United Stores Corporation

Annual Report to Stockholders

Year Ending December 31, 1930

UNITED STORES CORPORATION

OFFICERS

GEORGE K. MORROW, *Chairman of the Board*

FREDERICK K. MORROW, *President*

R. W. JAMESON, *First Vice-President*

H. J. MOFFETT, *Vice-President*

GEORGE WATTLEY, *Treasurer*

W. A. FERGUSON, *Secretary*

BOARD OF DIRECTORS

A. C. ALLEN

THOMAS H. MCINNERNEY

W. A. BLACK

GEORGE M. MOFFETT

RANDOLPH CATLIN

H. J. MOFFETT

W. L. CUMMINGS

FREDERICK K. MORROW

JOHN FOSTER DULLES

GEORGE K. MORROW

SIR HERBERT HOLT

H. HOBART PORTER

JAMES W. JAMESON

WALTER B. RYAN, JR.

R. W. JAMESON

EUGENE W. STETSON

UNITED STORES CORPORATION

625 Madison Avenue

New York City

Annual Report to Stockholders

Year ending December 31, 1930

April 17, 1931.

To the Stockholders of
UNITED STORES CORPORATION:

There is presented herewith the Annual Report of United Stores Corporation to its stockholders for the year ending December 31, 1930, comprising the following statements certified by Messrs. Price, Waterhouse & Co.:

Balance Sheet as at December 31, 1930.

Statement of Capital and Initial Surplus for the six months ending December 31, 1930.

Statements of Profit and Loss and Earned Surplus for the six months ending December 31, 1930.

Stockholders of United Stores Corporation desiring a copy of the Annual Reports of Tobacco Products Corporation or United Cigar Stores Company of America for 1930 may obtain the same upon request to the secretary of this corporation.

By order of the Board of Directors,

GEORGE K. MORROW,
Chairman.

UNITED STORES

BALANCE SHEET—

ASSETS

CASH \$ 47,513.71

ACCOUNTS RECEIVABLE:

Dividends receivable:

On 43,803 shares preferred stock of United Cigar Stores
Company of America, dividend declared in December,
1930, received February 2, 1931..... \$ 65,704.50

On 1,244,540 shares Class A stock of Tobacco Products
Corporation, dividend declared in November, 1930, re-
ceived February 14, 1931..... 435,589.00

Miscellaneous 23.83

501,317.33

INVESTMENTS:

United Cigar Stores Company of America:

Preferred stock—

37,403 shares carried at par of \$100 each..... \$ 3,740,300.00

6,400 shares purchased for cash, at cost 333,157.50

43,803 shares (25.6% of total outstanding)..... \$ 4,073,457.50

Common stock 630,182 shares

Dividend certificates for common

stock 28,105-6/10 shares

Together 658,287-6/10 shares

(12.4% of total outstanding) carried at \$3.50 each.. 2,304,006.60

Note—74.9% of United Cigar Stores Company common stock is
owned by Tobacco Products Corporation.

Tobacco Products Corporation:

Class A stock —1,244,540 shares (55.5% of total outstanding)

Common stock—1,999,124 shares (60.6% of total outstanding)

Together —3,243,664 shares (58.6% of total outstanding)
carried at \$9 each..... 29,192,976.00

The Union Tobacco Company:

Class A stock—25,295 shares carried at \$1 each..... 25,295.00

Common stock—5,030 shares carried at 50c each..... 2,515.00

35,598,250.10

\$36,147,081.14

To the Stockholders of
United Stores Corporation:

We have made an examination of the books and ac-
counting ending December 31, 1930 and we certify that, in our opinion,
the statement of profit and loss and surplus have been correctly prepared
for the company at December 31, 1930 and the result of its operations.

56 Pine Street, New York.

April 17, 1931.

CORPORATION

DECEMBER 31, 1930

LIABILITIES

NOTE PAYABLE ON DEMAND..... \$ 750,000.00

(Secured by 13,000 shares United Cigar Stores Company of
America preferred stock and 35,000 shares Tobacco Prod-
ucts Corporation Class A stock)

ACCOUNTS PAYABLE:

For organization expenses, franchise taxes, etc. 184,379.02

CAPITAL AND INITIAL SURPLUS, per statement attached..... 34,734,218.18

Represented by:

\$6 cumulative convertible preferred stock without par
value, preferred over Class A and common as to \$115 on
dissolution:

Authorized—1,000,000 shares

Issued — 324,548 shares*

Note—Preferred dividends have accumulated from August 15,
1929, less \$1.25 paid on account.

Class A stock without par value, convertible, preferred
over common as to \$4.20 per annum, non-cumulative,
and as to \$75 on dissolution:

Authorized—5,000,000 shares

Issued — 916,085 shares*

Note—In lieu of other compensation options running to August
1, 1934 have been granted the corporation's principal execu-
tives to purchase 125,000 shares Class A stock (including war-
rants or their equivalent in common stock) at \$20 per share.

Common stock without par value:

Authorized — 15,000,000 shares, including 3,588,404½
shares reserved for conversion of preferred and Class
A stocks

Issued and held for issue — 504,085-700/840 shares*
including 458,042½ shares reserved for issue against
warrants attached to Class A stock exchangeable on
or after January 1, 1931.

* Including shares reserved against outstanding certificates of
deposit.

EARNED SURPLUS, per statement attached..... 478,483.94

\$36,147,081.14

Accounts of United Stores Corporation for the six months
on, the above balance sheet and the attached statements
therefrom and fairly set forth the financial position of the
company for the period.

PRICE, WATERHOUSE & CO.

UNITED STORES CORPORATION

STATEMENT OF CAPITAL AND INITIAL SURPLUS

FOR THE SIX MONTHS ENDING DECEMBER 31, 1930

Capital and initial surplus per balance sheet June 30, 1930 in the first report to stockholders.....		\$36,641,026.04
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Add:

Total value assigned by the directors to securities acquired by the corporation during the six months ending December 31, 1930 in exchange for capital stocks of the corporation issued therefor.....	\$ 94,325.35	
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Proceeds of fractional shares of the corporation sold for cash	23.83	
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94,349.18

\$36,735,375.22

Deduct:

Cost of 27,491 shares \$6 cumulative convertible preferred stock purchased and retired.....	\$1,266,329.51	
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Difference between amounts realized on sale of investments and values at which the investments were carried on the corporation's books:

On sale of 20,643 shares United Cigar Stores Company of America preferred stock to that company.....	732,664.50	
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On sale of 3,100 shares The Union Tobacco Company common stock	186.00	
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Additional organization expenses incurred.....	1,977.03	
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2,001,157.04

Capital and initial surplus per balance sheet, December 31, 1930.....		<u><u>\$34,734,218.18</u></u>
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UNITED STORES CORPORATION

STATEMENTS OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE SIX MONTHS ENDING DECEMBER 31, 1930

PROFIT AND LOSS

Dividends received and accrued:

On Tobacco Products Corporation Class A stock.....	\$ 933,405.00
On United Cigar Stores Company of America preferred stock	65,704.50
On dividend certificates for common stock of United Cigar Stores Company of America.....	2,787.93

\$1,001,897.43

Interest received on bank balances.....	778.32
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\$1,002,675.75

Expenses:

Stock transfer expense.....	\$ 14,890.21
Legal expense	3,314.89
Other corporate expenses including franchise taxes.....	51,521.81
Interest paid	7,686.11

77,413.02

Net profit carried to statement of surplus below.....

\$ 925,262.73

EARNED SURPLUS

Deficit at June 30, 1930 per the first report to stockholders...	\$ 34,401.87
Net profit for six months ending December 31, 1930, as above	925,262.73

\$ 890,860.86

Deduct—Dividends paid on \$6 cumulative convertible preferred stock:

On September 5, 1930, 62½c per share.....	\$ 209,537.49
On December 15, 1930, 62½c per share.....	202,839.43

412,376.92

Earned surplus per balance sheet, December 31, 1930

\$ 478,483.94

